

10 APR 1962

MEMORANDUM FOR: Chief, Technical Accounting Staff

SUBJECT : Fiscal Division Procedures for Scheduling Audited Vouchers for Payment

1. PROBLEM

As requested, a review has been made of current procedures in the Fiscal Division to ascertain whether the scheduling of audited vouchers and claims for payment can be expedited.

2. FACTS BEARING ON THE PROBLEM

a. Procedures Followed in Scheduling -

- (1) Three Branches of the Fiscal Division are concerned with the auditing and scheduling of vouchers for payment. The Claims Branch and Travel Branch audit miscellaneous vouchers, claims, and travel and transportation vouchers and certify the schedules listing such vouchers for payment. The Fiscal Processing Branch (FPB) acts as a receiving and distribution point for almost all mail addressed to the Fiscal Division and distributes vouchers and other documents to the other Branches. Audited vouchers, except as noted herein, are submitted to the FPB for scheduling by categories of vouchers. FPB also performs services related to the scheduling process, such as returning the schedules with the vouchers to the certifying officers; after certification, detaching the original and the copies of the schedules which go to the Assistant Disbursing Officer (ADO); and re-associating the vouchers with the originals of the paid schedules when such originals are returned by the ADO. Certified schedules are assembled by FPB and hand-carried to the ADO twice each day (at approximately 1030 and 1500 hours). Exceptions to the FPB scheduling procedures are as follows: the Travel Branch obtains schedule numbers from FPB and schedules vouchers for cash advances of travel funds directly to the ADO; and the Payroll Branch obtains schedule numbers from FPB and schedules payroll vouchers directly to the ADO.

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- (2) Audited claims and vouchers are reviewed by a certifying officer before the claims and vouchers are carried to the scheduling clerk in FFB. In the Claims Branch, the date a voucher is considered "audited" is after the final preparation of all related papers, including any necessary memorandums or Administrative Audit Difference Statements. In the Travel Branch, a slightly different procedure is followed and the date a voucher is considered "audited" is the date the auditor completes work on the voucher and has drafted related documents, such as any necessary memorandums or Administrative Audit Difference Statements, but before such documents are typed in final form. This difference in what constitutes an "audited voucher" in the scheduling pattern may cause some travel vouchers to appear delayed before being scheduled. Under current procedures, neither of these Branches has any typists and all typing of memorandums, letters, Administrative Audit Difference Statements, etc., for both Branches is accomplished by personnel assigned in the office of the Chief, Fiscal Division.

b. Review of Vouchers audited by the Claims Branch -

The period 11 August through 12 September 1961 was selected at random for review. Since the large volume of vouchers and schedules processed made it impractical to attempt a review of all documents, the review was limited to 35 schedules, distributed throughout the period, on which 237 vouchers were listed. This sampling represented about 10 percent of the total schedule and voucher volume and was considered representative of the problem. Facts disclosed pertinent to this study were:

- (1) Twenty-two schedules listed vouchers which had been audited the same day or not more than one work day before the date of the schedule.
- (2) Twelve schedules listed vouchers which had been audited not more than two work days before the date of the schedule.
- (3) On one schedule listing three vouchers two had been audited one work day before the date of the schedule, and the third voucher had been audited three work days prior to the date of the schedule, which was the longest period any audited voucher had been held for scheduling. Further investigation indicated that such voucher apparently had been held intentionally at the scheduling desk waiting for more vouchers of the same type in order to make better use of the schedules and not list one voucher by itself when urgency of payment was not critical.

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c. Review of vouchers audited by the Travel Branch -

The same period selected for miscellaneous vouchers was used for review of travel vouchers; however, the smaller volume permitted an examination of all schedules prepared during the period. This review included 64 schedules which listed 389 vouchers. About 20 percent of the schedules listed vouchers which were for credit to advance accounts and did not require a payment by the ADO. Pertinent facts obtained from this review were:

- (1) Two schedules listed vouchers audited the same day as the date of the schedule.
- (2) Thirty-two schedules listed vouchers audited not more than one work day before the date of the schedule.
- (3) Sixteen schedules listed vouchers audited not more than two work days before the date of the schedule.
- (4) Eight schedules listed vouchers audited not more than three work days before the date of the schedule.
- (5) Six schedules listed vouchers audited more than three work days before the date of the schedule. These six schedules listed a total of 31 vouchers; however, only nine of the vouchers were actually held more than four days after audit before scheduling which represents about 2.3 percent of the total of 389 vouchers investigated. Four of the nine vouchers were for credit to advance accounts and did not involve payments to travelers.

d. Analysis of scheduling volume -

- (1) To evaluate the effectiveness of current scheduling procedures, an analysis was made of the number of all vouchers scheduled during the 26 week period ending 16 December 1961, based upon the FFB weekly work reports. A total of 17,921 vouchers were scheduled during the half year period. An average of 689 vouchers were scheduled per week or about 142 vouchers per work day for the 126 actual work days in this period. Total vouchers scheduled during a week slightly exceeded 1,000 items on three occasions (weeks ending 15 July, 12 August, and 9 December) and declined to a low of 402 items for the four-day work week ending 8 July. Other holidays in the period had no noticeable effect on volume of vouchers scheduled or the inventory of unscheduled vouchers on hand at the end of a week. The average carry-over of unscheduled vouchers at the end of a week was 146 which is considered reasonable and is consistent with the average rate of scheduling about 142 vouchers per day.

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- (2) Data on the number of vouchers received during prior fiscal years for processing, auditing and scheduling were reviewed beginning with 1953, which was the earliest year for which data were available. The volume of vouchers received increased gradually but consistently up through 1958 when a tremendous increase in volume occurred. Vouchers received during 1961 were 1.58 times the number of vouchers received in 1958.
- (3) To meet the scheduling requirements imposed during the last 3 years by the increased volume of vouchers, typists outside of FFB have had to be given some training in the scheduling process. Such extra typing help has been assigned to meet peak loads and overcome situations created by unforeseen absences of the regular scheduling clerks. Even so, emergency situations have developed on occasion when clerks unskilled in typing or scheduling have had to be pressed into service.

c. Review of payments by ADO -

As a part of the analysis of the scheduling of audited vouchers, data were obtained simultaneously concerning their payments as follows:

(1) Schedules listing miscellaneous vouchers -

About 70 percent were paid no later than one work day after the date of the schedule; and about 30 percent were paid no later than two work days after the schedule date.

(2) Schedules listing travel vouchers -

About 62 percent were paid the same day as, or one work day after, the date of scheduling; about 28 percent were paid no later than two work days, and 10 percent were paid no later than three work days.

f. General comment on scheduling -

Although certified schedules were batched and submitted to the ADO for payment twice each day, no records were kept to identify the time of day each schedule was actually processed and submitted. In some cases, for example, vouchers audited during a Monday afternoon may be reviewed by the certifying officer the following morning (Tuesday) and be sent to the scheduling desk by noon. Such vouchers may be scheduled promptly during the afternoon but have the schedule number and date assigned as of Wednesday morning and be certified and processed to the ADO with either the morning or afternoon batch. While the elapsed time such vouchers were in process between the auditing and scheduling is only slightly more than eight work hours, statistically such vouchers are regarded as requiring two work days between the date of audit and date of scheduling. This example is illustrative

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of a similar problem of elapsed time as it applies to payments by the ADO where schedules taken to the ADO in the afternoon of one day may not be paid until the morning of the second day following. Statistically, such schedules indicate that two work days were required for payment which is not necessarily true in a literal sense. It is believed that the Agency's record for scheduling audited vouchers and the ADO's payment of certified schedules is generally good, especially if allowance is made for the "time of day" effect on the statistical summary.

3. **METHODS CONSIDERED FOR IMPROVING PROCEDURES**

a. Decentralize the Scheduling Function -

The Claims Branch and Travel Branch could be made responsible for scheduling their respective vouchers after audit. Clerks with typing skill would have to be provided to each Branch. At present, there are no typists in either Branch and it is very doubtful whether the additional work of scheduling and related duties could be absorbed within the present staffing of the Claims and Travel Branches without impairment of the auditing program. Scheduling by each Branch would have the advantage of providing for direct supervision of the scheduling function by the Branch and would eliminate some of the handling of vouchers and schedules between Branches. One serious shortcoming of such decentralization of the function to the two branches would be the problem of providing typists to execute such additional responsibilities. The Claims Branch produces about 80 percent of the total number of vouchers to be scheduled, with Travel Branch producing the remaining 20 percent. In addition to this disproportionate distribution of the work load, the total scheduling volume varies considerably from week to week with a huge upsurge in miscellaneous vouchers about the 2nd or 3rd week of each month. The variation is from less than enough work for one typist on some days to far more than one typist possibly can do on others. With such an unequal work load, dividing a typist's time between the two Branches would complicate the problem. This shortcoming is believed to not justify adoption of the decentralization of scheduling to the Branches.

b. Certify Individual Vouchers for Payment in Lieu of Using Schedules -

A change could be made in the payment procedures whereby the use of Form 1166 would be eliminated and individual vouchers would be certified for payment. Such a procedure is contemplated by Title 7, Standardized Fiscal Procedures, General Accounting Office Policy and Procedures Manual. Under such a procedure, basic vouchers prepared on Government standard forms or other forms authorized for such use would be prepared and submitted in duplicate to the Disbursing Officer. The Disbursing Officer would retain a copy of each voucher as evidence

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of the payment and return the original copy to the Agency for filing. After careful evaluation it was concluded that the disadvantages of certification and payment on individual vouchers considerably outweigh the advantages to be gained and, therefore, further consideration of this possible course of action is not justified.

c. Merge the Branches Affected

Consolidate the Fiscal Processing Branch, Claims Branch and Travel Branch into one Branch, in accordance with the proposal submitted by the Chief, Fiscal Division on 15 September 1960. Such a consolidation would effect better management, supervision and efficiency in the processing of vouchers by having the audit and related functions under one direct supervisor, and would provide increased personnel capabilities and greater flexibility in personnel assignments. Closer coordination of the audit and scheduling functions would tend to facilitate and further accelerate the scheduling of vouchers for payment.

4. CONCLUSIONS

The current procedures for scheduling vouchers for payment are considered effective. Any gains which could be accomplished under alternatives described in paragraph 3a and 3b above would be limited to a matter of only a few hours for some vouchers. Under current procedures, only a small percentage of vouchers require more than two work days to be scheduled. The organizational change discussed in paragraph 3c would accomplish some minor gains in the time required to schedule an audited voucher but would provide other and more significant advantages with respect to the utilization of Division personnel.

5. GENERAL OBSERVATION AND RECOMMENDATION

During this study in the Fiscal Processing, Claims, and Travel Branches, excellent cooperation and good working relationships were observed. Nevertheless, it is recommended that the merger proposed in 3c above be effected at an appropriate future time to provide more efficient operations.

Distribution:

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Member,

Technical Accounting Staff

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